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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

Mr. Bob Chaudhuri
President
Wireless Plus, Inc.
Dublin, California 94568

93-253

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

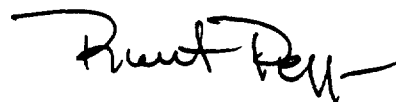
Dear Mr. Chaudhuri:

This in reply to your letter of July 12, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on applications for cellular radio unserved areas. Your letter was referred to me because the Office of Plans and Policy is responsible for implementing the competitive bidding provisions of the Budget Act.

On August 10, 1993, President Clinton signed the Budget Act. Under the Budget Act, the Commission must subject all initial mutually exclusive applications for subscriber-based radio services to a system of competitive bidding rather than lotteries. In addition, the Budget Act, signed August 10, 1993, provided the Commission with 210 days from its date of enactment, or March 8, 1994, to issue final rules concerning competitive bidding. Accordingly, the Commission recently initiated a rule making proceeding to implement the competitive bidding provisions of the Budget Act. Notice of Proposed Rule Making (Notice), PP Docket 93-253 (released October 12, 1993). In the Notice, the Commission, pursuant to the legislative criteria, proposed to subject auction essentially all mutually exclusive applications in subscriber-based services. With this in mind, the Commission proposed to subject to auction a variety of services, including cellular radio unserved areas. The Budget Act, however, permits the Commission to either conduct a lottery or an auction for mutually exclusive applications received prior to July 26, 1993. For example, the Commission conducted a lottery on September 15, 1993, of the first nine IVDS markets because the subject applications were received prior to July 26, 1993. With respect to applications in the cellular radio unserved areas subject to the grandfather clause, the Commission asked the public for comment in the Notice concerning whether to conduct an auctions or lotteries.

Comments may be filed in this proceeding by November 10, 1993, and reply comments by November 24, 1993. I can assure you that the Commission will give full consideration to all comments filed in the competitive bidding rule making proceeding.

Sincerely,



Robert Pepper
Chief
Office of Plans and Policy

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List A B C D E

Correspondence# 1008874
Federal Communications Commission

IPP
Auctions
4519

November 3, 1993

Mr. Bob Chaudhuri
President
Wireless Plus, Inc.
Dublin, California 94568

Dear Mr. Chaudhuri:

Thank you so much for your letter. President Clinton greatly appreciates the trust and confidence you have expressed in him by writing.

To ensure that your concerns are addressed, I am forwarding your letter to the Federal Communications Commission for any appropriate action. Please bear in mind that it may take some time to look thoroughly into the concerns you have raised. Should you wish to contact them directly, you may write to: Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

Many thanks for your patience.

Sincerely,



Marsha Scott
Deputy Assistant to the President
Director of Correspondence and
Presidential Messages

11/5/91
FCC
1008874

WIRELESS PLUS, Inc.

7080 Donlon Way, Suite 210, Dublin, CA 94568

Phone (510) 829-8007 * Fax (510) 829-8435

Monday, July 12, 1993

President Bill Clinton
The White House
Washington, D. C.

RE: FCC Auctioning Proposal

Dear President Clinton:

As a person engaged in operating a small business, I am in immediate need of your assistance on a question involving Congressional authorization of auction of spectrum by the Federal Communications Commission, which will soon be decided in the House-Senate budget reconciliation conference.

Last year, the Commission set forth its proposal to invite applicants to compete by lottery for authority to serve areas left unserved by initial cellular licenses after expiration of their five years fill-in period in the Cellular Unserved Areas proceeding.

The decision to file unserved areas applications was based on a thorough engineering study of the areas served by the incumbent licensee and much hypothesizing about why an incumbent licensee might leave some areas unserved. After conferring with my economic and engineering consultants, I determined to file for cellular unserved areas. My expenses incurred in preliminary market studies and in application preparation were great, but I made the decision to risk the capital investment based on the legal framework in place at the the time of filing.

Clearly, the rules are being changed in the middle of the game. I believe this unfair result in inadvertent, but under the House and Senate budget bills, the long ago announced procedure for selecting licenses in the cellular services by lottery will be cast aside in favor of an auction scheme. While the proposal to auction spectrum may generally be a good idea, there has been no public hearing, no opportunity to accurately weigh the budget implications of auctioning cellular unserved areas spectrum. There has been no

determination of the effect of auctioning these areas left unserved by incumbent licensees the value of which may indeed be questionable.

The Chairman of the FCC has contacted the Congressional leadership to express concern with the broad sweep of the proposed legislation. It is estimated that each application fee and application returned because of the implementation of spectrum auctioning will cost the FCC fifty dollars. There is absolutely no expectation that auctioning unserved areas spectrum will even begin to cover the amount expended in returning applications, let alone that it will realize gain for the Treasury.

These results can be avoided. Senators Daniel K. Inouye, a member and Earnest F. Hollings, the Chairman of the Senate Commerce Committee and Congressman Edward Markey, a member, and John Dingell, the Chairman on the House Energy and Commerce Committee are considering steps to remedy this unfair result. They propose to resolve the matter in conference to restore the FCC authority to award cellular unserved areas licenses by lottery.

Thank you for your consideration and support. I may be reached personally at (510) 829 8007. I am available to provide more information or answer any question you may have regarding my position.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Bob Chaudhuri", written over the typed name.

Bob Chaudhuri
President